

# FISCAL YEAR 2009 - 2010 EXECUTIVE BUDGET RECOMMENDATION SUMMARY

The full proposed budget document is available on the  
City's website, [www.cityoflansingmi.com](http://www.cityoflansingmi.com)



VIRG BERNERO, MAYOR



## OFFICE OF THE MAYOR

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Virg Bernero, Mayor

March 23, 2009

President Derrick Quinney and Council Members  
Lansing City Council  
124 W. Michigan Avenue – Tenth Floor  
Lansing, MI 48933

Dear President Quinney and Council Members:

I am pleased to present for your consideration my Executive Budget Recommendation for the fiscal year beginning July 1, 2009.

My budget is presented in the context of very difficult times for us, our residents, and our nation. We are facing a persistent structural deficit and a weakened economy. And while we have been working relentlessly to address the fundamental elements of these twin challenges over the past three years, and have made some progress, much work remains to be done.

For several years, the city's cost of doing business has increased at a rate greater than inflation and greater than the city's income. Raising taxes has not been seen by most – including me – as a viable option, and the focus has been to improve the efficiency of the city government and to reduce costs. It has been a difficult task, particularly because much of the City's expenses are associated with the costs of total employee compensation. Today, while we are continuing to provide vital city services, the city government has 190 fewer or 14% fewer employees than in 2004. Our financial reserves have been reduced from 12% of our General Fund revenues at the end of 2003 to less than 10% of our General Fund revenues, although there has been no use of reserves in budgets prepared by my administration.

At the same time, the weak economy has affected many of our residents and business owners. Unemployment is now into double digits, property foreclosures are high, and many businesses are struggling. The forecast for the next several years is equally challenging for our City and other municipalities due largely in part to the State's structural financial challenges and outdated municipal financing structure.

President Derrick Quinney and Council Members

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In spite of the weak economy, there are positive developments which bode well for the future of the City. Private developers are investing in Lansing. The City is increasingly becoming a center for insurance and financial services, as well as for information technology related business. LCC and Cooley remain strong, and Jackson National Life is expanding. Some manufacturing, such as defense related industries, remains strong. Some major construction projects will be underway in the next year, including the Accident Fund headquarters, the new City Market, and development of the Riverfront, and some federal stimulus funding can be anticipated for the next two years.

My proposed budget for FY10 balances anticipated revenues and expenditures without increasing the general property tax rate and without using reserves. In fact, when taking into account property tax and income tax rates, plus proposed rates for sewer service and recycling, my proposed budget will result in the total direct costs for many of our taxpayers remaining the same or actually decreasing during the next year.

My proposed budget continues the necessary investments and activities to maintain and improve the quality of life for residents of all ages, income, and capabilities; for our neighborhoods; for our businesses; and for our visitors. The current level of City employees is maintained. Essential services in the areas of public safety, road maintenance, snow clearing, garbage collection, recycling, recreation, and human services will continue. Our energetic efforts to attract new residents, encourage business growth, and facilitate new job-creating investments will continue unabated.

Initiatives of specific importance in my proposed budget include dedicating a portion of the General Fund millage to road improvement and CSO debt; implementing the Home Improvement Rebate program announced last year; initiating a motor carrier weight enforcement program; increasing commercial property inspections; operating the Southside Community Center, and implementing single stream recycling. Funds will continue to be deployed for maintenance and improvement of neighborhood and city parks, including specific projects at Gier Community Center, Frances Park, Kirsher Ballfield, and Maguire Park. Priority will continue to be given to improving the quality of roads in neighborhoods and throughout the City.

Internally to the city government, activities focused on improving efficiency and reducing costs will continue, a hiring freeze will remain in place, giving opportunity to review the continuing need for every position which becomes vacant in our continued effort to downsize and minimize layoffs. Funds will be dedicated to investments in energy conservation. Continuing efforts will be made to increase tax reporting compliance, and there will be increased resources dedicated to enforcement of prevailing wage requirements. Improvement of the fleet management and garage operations will continue, as well as the evaluation of police precincts. There will also be continuing investments in technology, including continuing improvement of the City's website as an interactive tool, expansion of the document management system; implementation of electronic ticket processing and automated cash receipting.

President Derrick Quinney and Council Members

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We will continue in our unwavering determination to reign in the increasing costs of health care and pensions. I thank those employees and bargaining units with whom we have arrived at agreement to address these difficult issues and once again ask for the cooperation of all of our City employees and unions in this effort.

Receipt of federal stimulus funds will provide needed assistance to the City during this challenging time. Funds to assist in preventing foreclosures and homelessness; housing repair and weatherization; transitional housing; major street repair and reconstruction; CSO funding assistance; law enforcement, and homeland security are anticipated, and to the extent appropriate, are included in my proposed budget. Care is taken to assure that we do not rely on this funding as a continuing source of income.

Attached is an executive summary of my budget proposals which outline in more detail the initiatives mentioned here. I look forward to reviewing the details of my recommended budget with you over the next several weeks.

Sincerely,

A handwritten signature in black ink, appearing to read "Virg Bernero", with a stylized flourish at the end.

Virg Bernero  
Mayor of Lansing

## MAYOR VIRG BERNERO'S PROPOSED FISCAL YEAR 2010 BUDGET EXECUTIVE SUMMARY

The budget proposed by Mayor Bernero totals \$197.3 million, of which \$117.3 million is the General Fund Budget. In comparison to this year, the proposed total budget for FY10 is \$2.4 million or 1.2% less, including capital expenditures. The proposed General Fund budget, which provides the majority of operational expenses for city services, is \$3.6 million or 3.1% greater than this year.

The total property tax rate supporting the City's budget is 15.70 mills, .13 mills less than the current year. The recycling rate is reduced 10% to \$67. The sewer rate is increased by 4% effective January 1, 2010, a delay of 3 months. Taking into account property tax, income tax, the sewer rate and the recycling rate, the owner of a \$100,000 residence which saw no increase in taxable value, and who had a taxable income of \$40,000 can expect to pay no more for city services than they do this year. However, to the extent that the taxable value of the residence increased or decreased by 4%, the cost to the property owner for city services could increase or decrease by as much as 2%.

The proposed budget is based on revenues derived from property taxes, income taxes, state funds, and certain fees and charges. In the proposed budget, property tax revenues in total will decrease by less than 1%, even though the General Fund will increase by 3.4%; income tax revenues will increase by slightly over 2%; and state shared revenues are projected to decrease by less than 1%. Revenues from other sources will increase, due primarily to increased Return on Equity payment from the Board of Water and Light and anticipated receipt of federal stimulus funds. Existing fees for city services (such as recreational programming) are not increased. The Mayor's budget does not anticipate that any of the City reserves will be used.

Essential City services will continue to be provided at a more than adequate level:

- PUBLIC SAFETY - Police, fire, and emergency medical services will be provided at levels that generally exceed the levels provided in comparable urban communities. The emphasis on community policing and expansion of Neighborhood Watch programs will continue. The feasibility of consolidating police operations and consolidating 2 of our 9 fire stations will continue to be evaluated. Additional equipment and technology supporting police and fire operations will be made available with the anticipated receipt of federal funds. There is also the potential of 2 additional Community Police Officers to be funded from the expanded COPS program.
- INFRASTRUCTURE - Increased investment will continue to be placed on maintaining the City's public infrastructure of roads, sidewalks, sewers and storm drains. There will be a strong focus in particular on the continuing repair of the major and local streets damaged by this extremely harsh winter. Construction associated with the mandated Combined Sewer Overflow program will continue along with preliminary planning for the Sanitary Sewer Overflow program.

Replacement of City sidewalks will be continued. The budget dedicates a portion of the general fund millage for road and CSO debt.

- NEIGHBORHOODS - Strengthening neighborhoods will remain a priority with continued emphasis on residential and commercial code enforcement. Additional Community Development Block Grant and Neighborhood Stabilization Program funds will provide additional funds for current housing support and rehabilitation programs, and the Neighborhood Empowerment Office authorized in last years budget should become operational in the upcoming year, providing a central point for directing and coordinating City activities to improve neighborhoods. The Mayor's Homestead Improvement Rebate program will provide incentives for the rehabilitation of substandard properties and the encouragement of home ownership. A new relationship between the City and the Lansing Neighborhood Council with regards to board-ups will be an additional asset in improving neighborhoods.
- ECONOMIC GROWTH - Efforts to attract new residents, encourage business growth, and facilitate new job-creating investments will continue unabated. The Lansing Economic Development Corporation will continue marketing of city assets, utilizing the results of the recently completed downtown survey, as well as information gained from the ongoing process of updating the City's Master Plan. Even more aggressive attraction strategies will be necessary in light of the challenged economy and recent changes in state law. Refinancing of TIFA debt should alleviate the loss associated with the acquisition of the House Office Building by the state.
- RECREATION AND PARKS - The Mayor's commitment to parks and recreation programs is continued. Funds for operation of the new Southside Community Center, which will be an integral part of parks and recreation programming on the south side, are included. Completion of the Riverfront Development Project will enhance Riverfront Park and provide expanded access on both sides of the river. Adequate summer help will provide for the maintenance of our parks and cemeteries. Funds will continue to be deployed for maintenance and improvement of neighborhood and city parks, including specific projects at Gier Community Center, Frances Park, Kirsher Ballfield, and Maguire Park. Grosebeck Golf Course and the Sycamore Driving Range will be open, subsidized significantly by the General Fund. Fees for recreational programming will remain unchanged.
- HUMAN SERVICES - The effects of the weak economy continue to be evidenced with increasing numbers of homeless families and with increasing demands for emergency food, shelter, and medical assistance. The Mayor's strong support of services to those in need, including at-risk children, senior citizens, and homeless individuals and families, is reflected in the budget, utilizing the 1.25% of general fund revenues dedicated by ordinance to that purpose. These efforts will be enhanced by additional HUD funds anticipated as part of the federal

stimulus funding. Unfortunately, at the same time, support from charitable entities has been reduced as the economy has impacted the ability for charitable giving.

- EFFICIENCIES - New investments in technology and capital projects will make the City more efficient, reduce costs in the future, and enhance customer service. Planning for the consolidation of garage operations, of permitting functions, and of receipting functions, in addition to fire station and police precincts, will continue. Continuing investments in technology, including upgrades to computer systems, implementation of a document management system, installation of new accounts receivable/receipting software, and electronic ticketing are included. As for the previous three years, there will be ongoing evaluation of the need for every position will occur as they become vacant. And finally, efforts to restructure costs associated with employee compensation – health care in particular – will continue unabated in negotiations with the city's unions.

The Mayor's proposed budget eliminates a projected \$5.5 million deficit. This structural deficit is the gap between projected income and the projected expenses of continuing all current City services, staffing and programs at their current levels. The proposed budget reduces this deficit by identifying \$2.7 million in additional revenue sources, and reducing the expenditure base by eliminating 40 vacant city positions. Prefunding of retiree health care is reduced to contractual minimums. Compared to FY2005, this budget contains 184 or 14% fewer positions, virtually none of which are in police and fire ranks.

## FACING A PERSISTENT STRUCTURAL DEFICIT AND A CHALLENGED ECONOMY

### *City of Lansing's Financial Forecast -- FY10*

For the past several years, the City of Lansing has faced a persistent structural deficit. This is defined as a situation where the ongoing costs of maintaining current services and staffing levels regularly exceeds the income received from established revenue sources.

The City is also facing a challenged economy. Poverty levels of residents remain high, unemployment is increasing, property foreclosures are high, and business profits are down. The mainstays of the economy, including the automobile industry, state government, and health care, are all undergoing significant transitions which in the short term at least are contributing to these challenges.

However, there are positive developments which bode well for the future of the City's economy. Private developers are investing in Lansing. The city is increasingly becoming a center for insurance and financial services, as well as for information technology related business. LCC and Cooley remain strong, and Jackson National Life is expanding. Some manufacturing, such as defense related industries, remain strong. Some major construction projects will be underway in the next year, and some amount of federal stimulus funding is anticipated. However, the construction activity and use of federal stimulus funds will primarily have short term impacts.

*The next several years will be difficult, and the economic challenges will exacerbate the city's structural deficit, not reduce it.*

Since at least 2003, the growth in the costs of city operations has regularly exceeded its annual growth in revenues. The costs of employee compensation – wages, health insurance, pension payments and other benefits - comprise 75% of General Fund expenses, and have been rising nearly three times faster than the City's income. The City's structural deficit cannot be addressed without addressing these increased costs, and while there has been some limited success over the past few years, much remains to be done.

The rising costs of health care and pensions are the predominate factors in employee benefits. Since 2006, Mayor Bernero's administration has been working diligently to contain the cost of health care while continuing to provide adequate health insurance for employees and retirees. A restructuring of health care has been implemented for Cabinet members, non-bargaining unit employees, and some bargaining units. It will be a continuing topic of negotiations with the City's other bargaining units.

Financial reserves have been reduced from a high of \$13 million (12% of GF revenues) at the end of FY 2003 to \$10.5 million at the end of FY 2008 (9.4% of GF revenues). The Administration's goal is to maintain reserves at between 10% and 15% of GF revenues.

The total city property tax rate is currently 15.83 mills, or .1 mill less than levied in 2004. However, the total property tax rate, including schools, county, state, and special millages, has risen from 60.64 mills in 2004 to 63.67 mills in 2008.

Since taking office in 2006, Mayor Bernero has been adamant that property taxes supporting city services will not be increased, and that the City's financial reserves will not be used for the expected recurring expenses of city government. Mayor Bernero's position recognizes the



challenges our residents have in meeting their basic needs in these difficult times and the need for the city government to remain financially viable.

City staffing levels were reduced from 1,299 in the FY04 budget to 1,147 in the FY08 budget, and 32 additional positions have been held vacant in the current FY09 budget. The total reduction in staffing level to date is 190 positions, 14% less than in FY 2004. Staffing for police and fire – which is more than half the City's budget – has been largely untouched, so these reductions equate to more than 25% for the remainder of the workforce. The reductions to-date have been accomplished without involuntary layoffs, and vital city services have been continued.

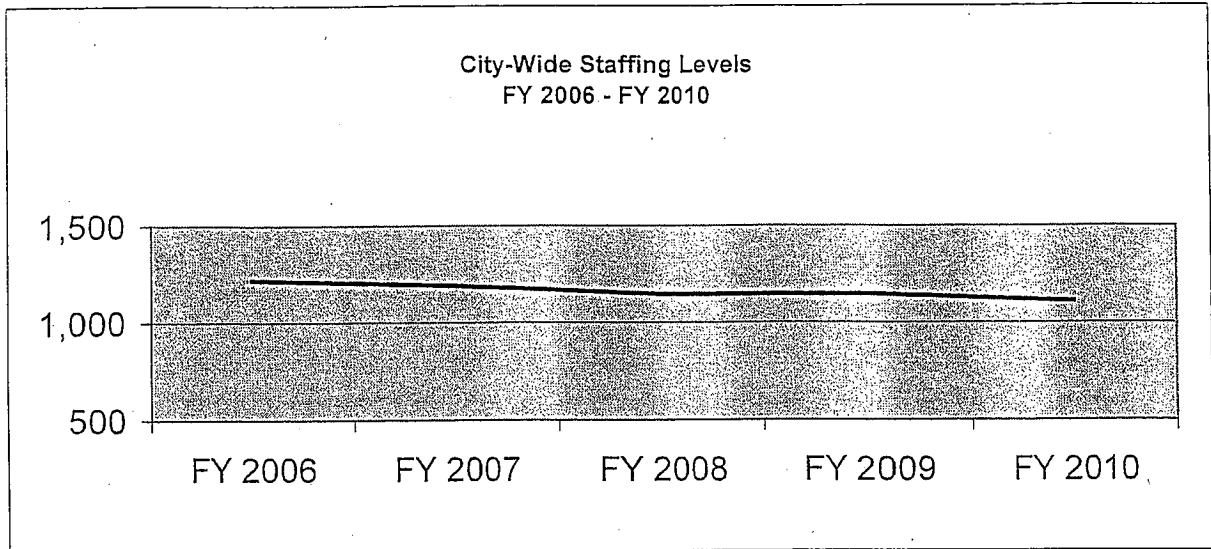
The budget for FY10 reflects the continuing financial challenges of the past few years, and recognizes the continuing nature of the challenge. Revenues from traditional sources are projected to be the same or slightly less than for the current budget - stagnant or falling property tax revenues as well as potential decreases in income tax revenues and state shared revenues are projected. The use of some additional revenues sources and the availability of limited amounts of federal stimulus funds are projected to mitigate some of the significant challenges being faced, at least in the short term.

The financial challenges for the City are anticipated to worsen, not improve for the next few years. Revenues from property taxes will likely decrease as property values continue to decrease and inflation remains low. Income tax revenues will continue to be stagnant, as job growth will be meager and wage increases small. Revenues from the state will be uncertain and problematic as the state addresses its own problems.

At the same time, however, the investments made over the past few years to restructure our economy and to attract new residents, businesses, and visitors are positioning the City well for the future. Bad as it may be, job losses and property value declines in Lansing and the region here are less than in many areas of the state, and our economy in total is relatively stable.

A recent analysis of Lansing by Fitch Ratings seems to confirm this outlook: Fitch recently assigned a AA rating with a Stable Outlook to some city bonds issued between 1996 and 2001. The AA rating was slightly lower than the AA+ rating assigned several years earlier. In its analysis, Fitch stated that "While the city has experienced significant re-investment and development over the past several years, Lansing's unemployment rates have risen to above-average levels since 2003. Most recently, the contraction of the automotive industry in the area as well as the effects of the regional and national recession have pushed the city's unemployment to double-digit levels. However, financial management is strong and continues to demonstrate a commitment to maintaining reserve levels. Nevertheless, financial pressures will likely remain from ongoing economic conditions, although Fitch believes the city will continue to take the necessary steps to achieve budget balance."

**Summary of Full-Time Positions by Department**  
(Includes Elected Officials)



	<u>FY 2006</u> <u>Adopted</u>	<u>FY 2007</u> <u>Adopted</u>	<u>FY 2008</u> <u>Adopted</u>	<u>FY 2009</u> <u>Adopted</u>	<u>FY 2010</u> <u>Proposed</u>
City Council	12.00	11.00	11.00	11.00	11.00
City TV	2.00	2.00	2.00	2.00	2.00
Internal Audit	2.00	2.00	2.00	2.00	2.00 <sup>(1)</sup>
Clerk Staff	7.00	7.00	7.00	7.00	7.00
Court/Probation Staff	55.00	55.00	53.00	53.00	53.00
Mayor Staff	7.00	5.00	5.00	5.00	5.00
Planning & Neighborhood Development	102.00	97.00	90.00	90.00	87.00
Finance	111.75	129.00	118.00	118.00	107.00 <sup>(2)</sup>
Human Resources	12.00	14.00	14.00	14.00	12.00
City Attorney	12.00	12.00	12.00	12.00	12.00
Police	337.00	338.00	342.00	343.00	344.00 <sup>(2)</sup>
Fire	235.00	235.00	235.00	235.00	235.00 <sup>(3)</sup>
Public Service	219.00	188.00	181.00	181.00	171.00
Human Relations & Community Services	10.00	9.00	8.00	8.00	5.00
Parks & Recreation	96.00	86.00	65.00	66.00	56.00 <sup>(4)</sup>
Total Authorized	1,219.75	1,190.00	1,145.00	1,147.00	1,109.00 <sup>(5)</sup>

<sup>(1)</sup> One (1) authorized position has not been budgeted since FY 2005.

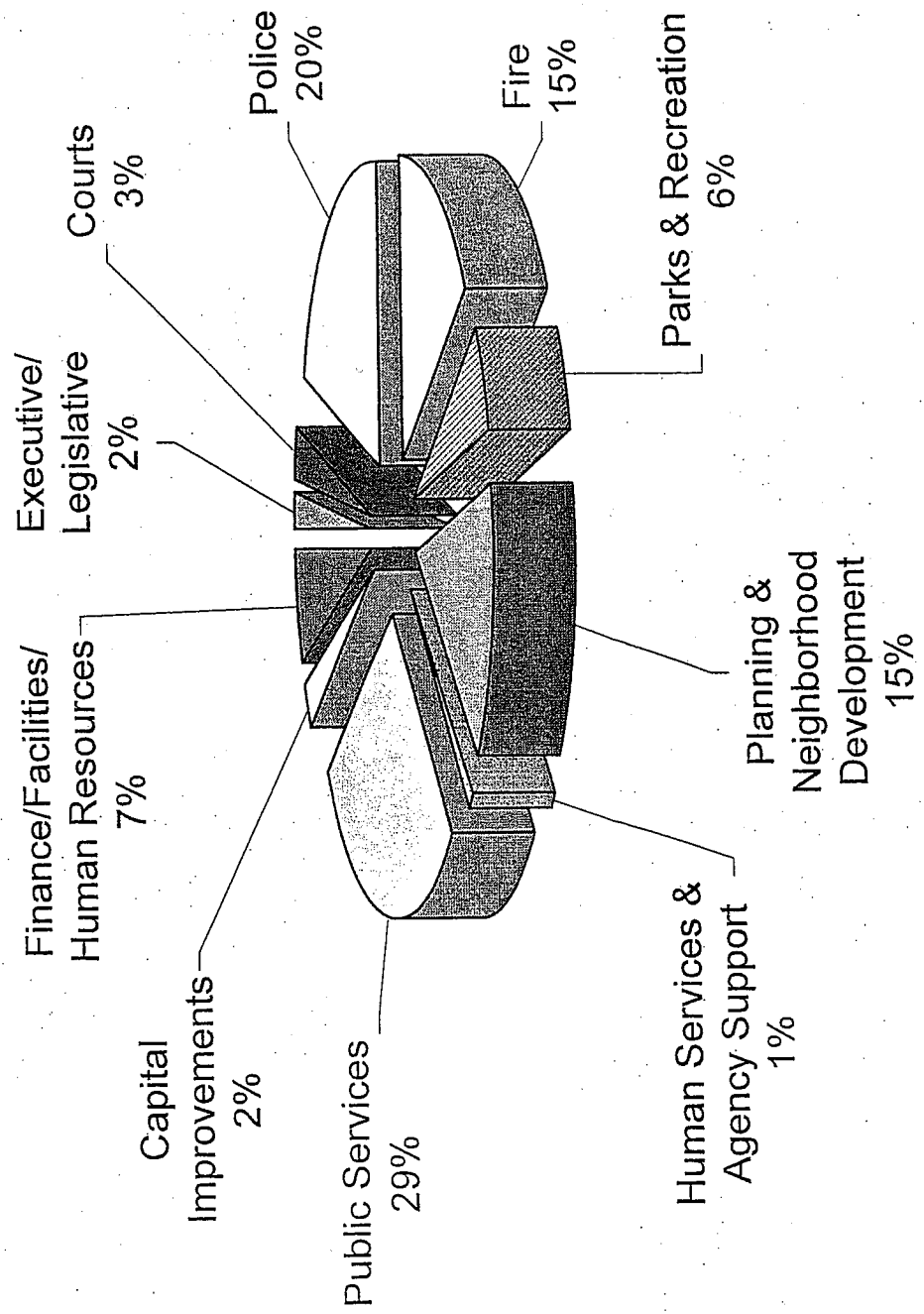
<sup>(2)</sup> One (1) authorized position has not been budgeted since FY 2006. In FY 2010, a non-sworn position is proposed to be eliminated and two patrol officers are proposed to be added.

<sup>(3)</sup> Fifteen (15) authorized positions have not been budgeted since FY 2006.

<sup>(4)</sup> Eighteen (18) Parks Zoo positions were transferred to Ingham County for FY 2008.

# Fiscal Year 2009/2010 City-Wide Budget

## \$197,276,500



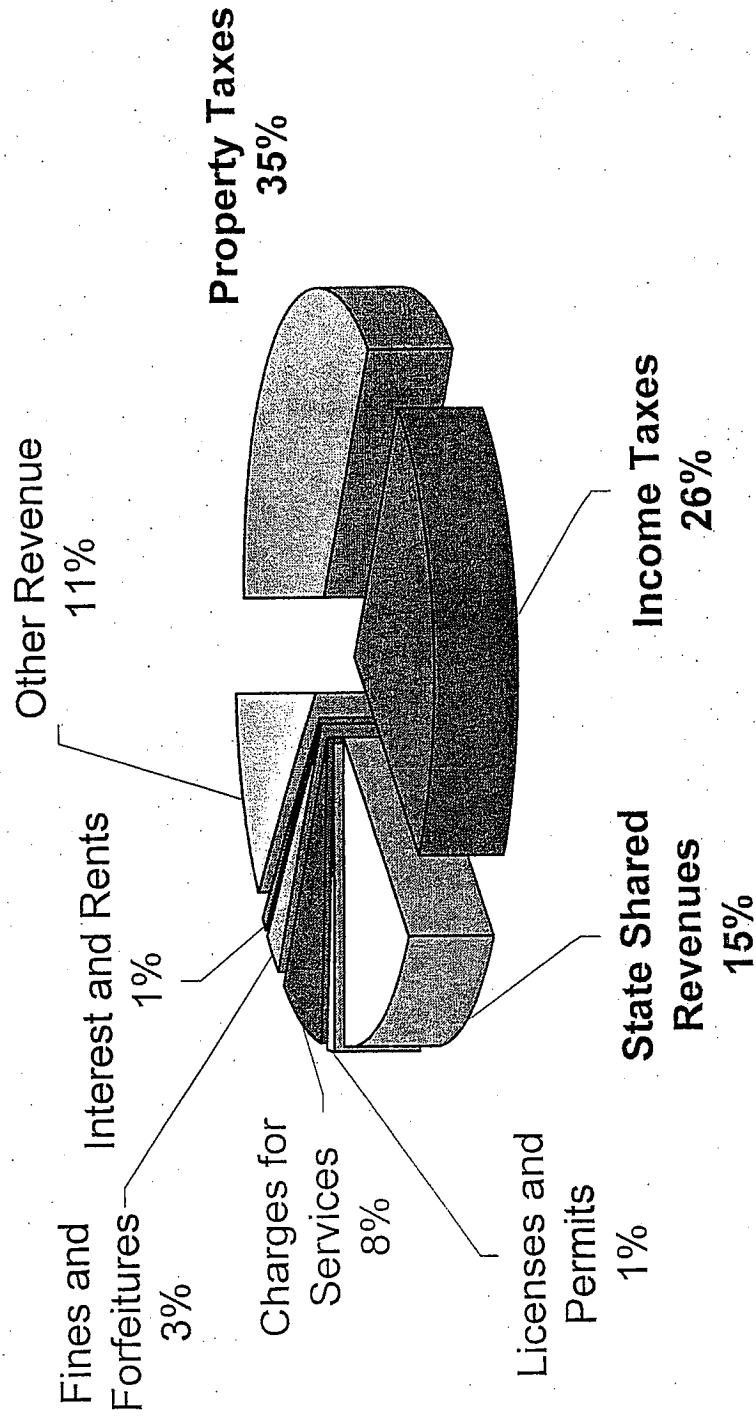
**FY 2009/2010 City-Wide Budget by Department/Service Type**

<u>Department</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Percent of Total Budget</u>
Mayor's Office	732,395	-	732,395	0.37%
City Council	671,710	-	671,710	0.34%
Internal Auditor	150,720	-	150,720	0.08%
Cablevision	200,120	-	200,120	0.10%
Attorney's Office	1,351,000	-	1,351,000	0.68%
City Clerk	896,170	-	896,170	0.45%
Subtotal - Executive/Legislative	4,002,115	-	4,002,115	2.02%
Courts	5,356,780	-	5,356,780	2.70%
Police	34,441,781	808,550	35,250,331	
Police - 911 Dispatch	190,270	5,315,120	5,505,390	
Subtotal - Police	34,632,051	6,123,670	40,755,721	20.55%
Fire	30,074,505	-	30,074,505	15.17%
Parks & Recreation - General Fund	8,790,130	-	8,790,130	
Parks Capital Improvements	1,200,000	60,000	1,260,000	
Parks - Golf	-	891,640	891,640	
Parks - Cemeteries	467,480	236,350	703,830	
Subtotal - Parks	10,457,610	1,187,990	11,645,600	5.87%
Planning & Neighborhood Development	3,578,477	4,765,510	8,343,987	
Parking	-	18,941,260	18,941,260	
Economic Development Corporation	377,750	-	377,750	
Principal Shopping District	42,075	442,460	484,535	
LEPFA/Stadium	1,898,027	364,525	2,262,552	
Subtotal - Planning & Neighborhood Dev.	5,896,329	24,513,755	30,410,084	15.34%
Human Relations & Community Services Dept.	667,910	-	667,910	
Human Services	1,481,250	-	1,481,250	
City Supported Agencies	259,400	-	259,400	
Subtotal - Human Relations/Agency Support	2,408,560	-	2,408,560	1.21%
Public Services	6,092,090	-	6,092,090	
Public Services - Roads	2,159,935	12,190,065	14,350,000	
Public Services - Sewer	1,400,000	29,932,100	31,332,100	
Public Services - Refuse	-	1,540,000	1,540,000	
Public Services - Recycling	-	3,225,000	3,225,000	
Subtotal - Public Services	9,652,025	46,887,165	56,539,190	28.52%
Capital Improvements	1,380,000	570,000	1,950,000	
Library Building Rental	160,000	-	160,000	
Debt Service	1,959,865	713,920	2,673,785	
Subtotal - Capital Improvements	3,499,865	1,283,920	4,783,785	2.41%
Finance (Includes Property & Fleet Mgmt)	10,483,840	-	10,483,840	5.29%
Human Resources	1,816,320	-	1,816,320	0.92%
Vacancy Factor	(1,000,000)	-	(1,000,000)	
	117,280,000	79,996,500	197,276,500	

*Note: Transfers from other funds are netted out from expenditures so as not to overstate total funding.*

# Where the Money Comes From

FY 2009/2010 General Fund Budgeted Revenues  
\$117,280,000



City of Lansing  
Fiscal Year July 1, 2009 - June 30, 2010  
General Fund Revenue (excluding use of reserves)

	FY 2008 <u>Actual</u>	FY 2009 Adopted <u>Budget</u>	FY 2009 <u>Projected</u>	FY 2010 <u>Proposed</u>	% Change FY09 Adopted FY10 Proposed
Property Taxes	38,815,537	39,899,244	39,848,283	41,273,556 <sup>(1)</sup>	3.4%
Income Taxes	31,168,012	29,400,000	30,500,000	30,300,000	3.1%
<u>State Revenues</u>					
State Revenue Sharing	16,453,361	16,703,084	16,622,024	16,621,993	
Fire Reimbursement Grants	834,544	850,000	968,509	950,000	
Liquor License Fee	67,348	69,000	67,811	69,000	
	<u>17,355,253</u>	<u>17,622,084</u>	<u>17,658,344</u>	<u>17,640,993</u>	0.1%
<u>Licenses &amp; Permits</u>					
Business Licenses	57,986	51,125	50,640	51,000	
Building Licenses & Permits	41,590	21,500	34,300	34,400	
Non-Business Licenses	117,585	126,199	120,700	123,100	
Cable Franchise Fees	1,214,301	1,250,000	1,226,000	1,390,000	
	<u>1,431,462</u>	<u>1,448,824</u>	<u>1,431,640</u>	<u>1,598,500</u>	10.3%
<u>Charges for Services</u>					
Reimbursements	2,972,487	2,907,922	2,905,120	2,832,950	
Appeals & Petitions	83,765	71,600	67,050	67,250	
Code Compliance	680,782	744,120	806,868	771,971	
Public Safety	2,652,143	2,987,700	2,721,161	3,554,175	
Subscriptions and Information	1,224	2,000	1,670	1,110	
Work for Others	674,244	1,258,200	1,246,194	1,373,075	
Central Stores	407	1,000	600	600	
Recreation Fees	542,675	570,911	485,628	510,491	
	<u>7,607,727</u>	<u>8,543,453</u>	<u>8,234,291</u>	<u>9,111,622</u>	6.7%
Fines & Forfeitures	3,402,936	3,910,975	3,291,581	3,397,050	-13.1%
<u>Interest &amp; Rents</u>					
Interest Income	910,989	1,208,230	796,500	899,800	
Rental Income	29,891	29,890	29,000	29,100	
	<u>940,880</u>	<u>1,238,120</u>	<u>825,500</u>	<u>928,900</u>	-25.0%
<u>Return on Equity</u>					
Board of Water and Light	10,747,503	10,600,000	11,050,000	11,550,000	
Sewer Fund	300,000	300,000	300,000	300,000	
	<u>11,047,503</u>	<u>10,900,000</u>	<u>11,350,000</u>	<u>11,850,000</u>	8.7%
<u>Other Revenues</u>					
Sale of Fixed Assets	-	46,000	-	12,000	
Donations & Contributions	137,070	38,300	47,600	399,600	
Miscellaneous	106,466	128,000	739,995	152,200	
	<u>243,536</u>	<u>212,300</u>	<u>787,595</u>	<u>563,800</u>	165.6%
Total General Fund Revenues before Capital Fund Transfers	<u>112,012,846</u>	<u>113,175,000</u>	<u>113,927,234</u>	<u>116,664,421</u>	3.1%
Transfers from Capital Funds	188,977	562,000	80,000	615,579	9.5%
Total General Fund Revenues	<u>112,201,823</u>	<u>113,737,000</u>	<u>114,007,234</u>	<u>117,280,000</u> <sup>(2)</sup>	3.1%

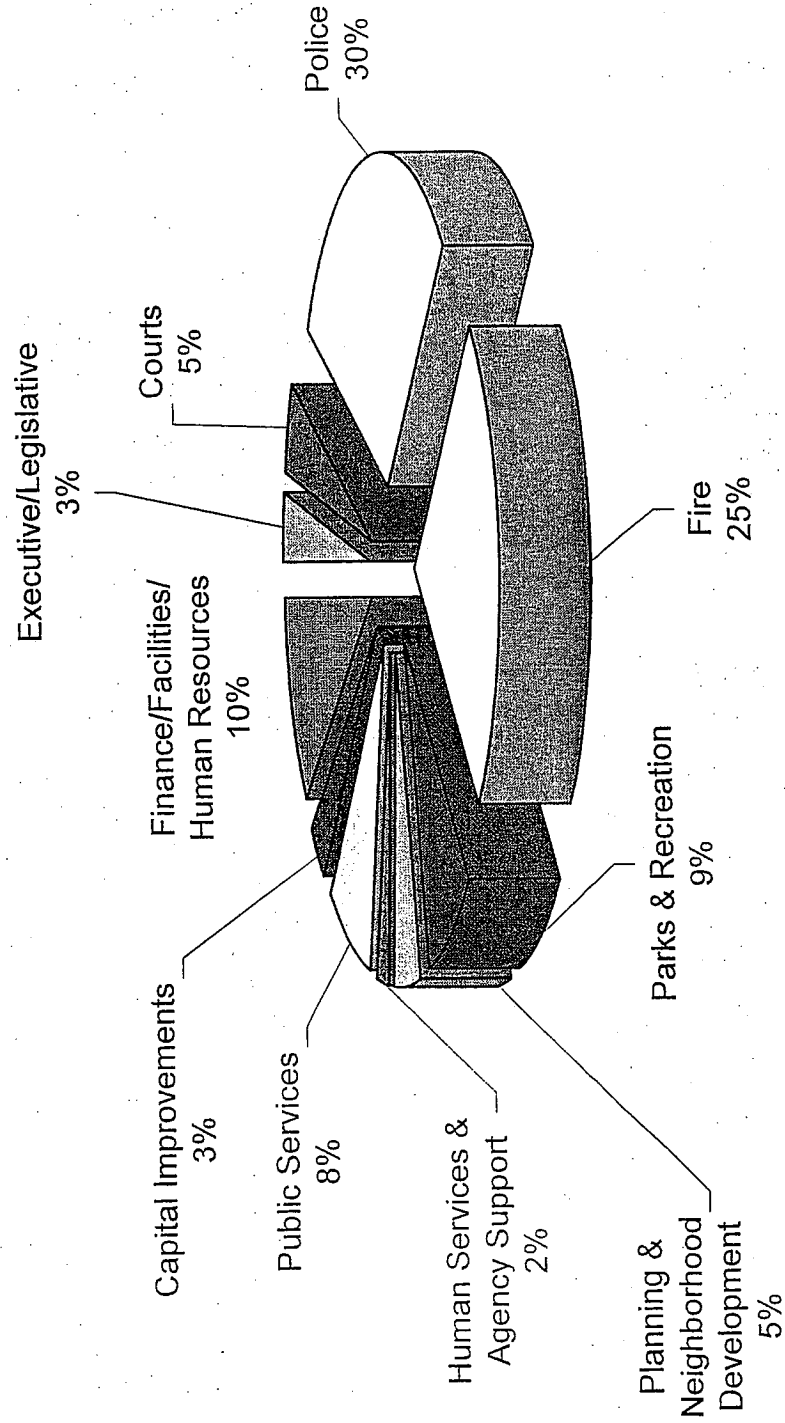
<sup>(1)</sup> Note: Property tax revenues includes a shift of .56 debt service mills (equal to \$1.37 million) to the City's operating millage for dedication to Sewer Fund Combined Sewer Overflow (CSO) debt service obligations. Without the millage shift, General Fund operating property tax revenue would have increased \$168, or 0%, from the FY 2009 Adopted Budget. In total, the Mayor's Proposed Budget reduces the overall property tax millage from 15.83 mills to 15.70 mills.

<sup>(2)</sup> In addition to the increase in revenues due to the property tax millage shift, the proposed budget includes ambulance fee changes and a new Motor Carrier Weight Enforcement program. Without the property tax shift and new revenue sources, projected General Fund revenues would have increased by less than 1% from the FY 2009 adopted budget.

# How the Money Is Spent

## FY 2009/2010 General Fund Budget

\$117,280,000



City of Lansing  
Fiscal Year July 1, 2009 - June 30, 2010  
General Fund Summary

	FY 2008 <u>Actual</u>	FY 2009 Adopted <u>Budget</u>	FY 2009 Projected <u>Projected</u>	FY 2010 <u>Proposed</u>	% Change FY09 Adopted FY10 Proposed
Beginning General Fund Balance	6,884,150	7,230,452	7,230,452	7,306,579	
Beginning Budget Stab. Fund Balance	5,728,059	5,728,059	5,728,059	5,728,059	
Total General Fund Reserves	12,612,209	12,958,511	12,958,511	13,034,638	
Revenues (detail on previous page)	112,201,823	113,737,000	114,007,234	117,280,000	
<b>Expenditures:</b>					
Council	717,345	692,651	691,044	671,710	-3.0%
City Television	192,323	276,318	289,835	200,120	-27.6%
Internal Audit	144,366	153,101	154,117	150,720	-1.6%
District Court	5,026,850	5,467,323	5,010,479	5,193,780	-5.0%
Circuit Court Building Rental	145,441	163,000	163,000	163,000	0.0%
Mayor's Office	733,793	730,498	727,998	732,395	0.3%
City Clerk's Office	900,571	989,853	916,070	896,170	-9.5%
Planning & Neighborhood Development	3,595,870	3,710,014	3,505,819	3,651,370	-1.6%
Finance	10,821,358	11,359,067	10,022,027	10,483,840	-7.7%
Human Resources	1,884,874	2,025,107	1,833,485	1,816,320	-10.3%
City Attorney's Office	1,305,529	1,343,277	1,326,627	1,351,000	0.6%
Vacancy Factor	-	(1,400,000)	-	(1,000,000)	-28.6%
Generic Prescription Benefit Savings	-	(1,300,000)	-	-	
Retirement Incentive <sup>(1)</sup>	-	(695,000)	-	-	
Vacant Position Reductions <sup>(1)</sup>	-	(1,000,000)	-	-	
Health Care Opt Out Incentive	-	(355,000)	-	-	
Police	33,138,656	34,542,203	33,520,615	34,319,970	-0.6%
Fire	28,438,573	29,633,908	29,653,451	30,074,505	1.5%
Public Services	5,581,912	5,583,870	5,781,532	6,092,090	9.1%
Human Relations & Community Services	900,594	983,505	708,339	667,910	-32.1%
Parks & Recreation	7,980,546	9,434,848	8,578,210	8,790,130	-6.8%
Human Services	1,200,002	1,425,000	1,576,820	1,481,250	3.9%
City Supported Agencies	284,722	260,000	260,000	259,400	-0.2%
Non-Departmental Expenditures:					
Library Building Rental	137,198	150,000	73,029	160,000	6.7%
Operating Subsidies to Other Funds	3,908,482	3,364,404	3,279,596	3,024,520	-10.1%
Capital Improvements	2,680,825	3,160,000	2,869,960	3,080,000	-2.5%
Debt Service	2,135,691	3,039,053	2,989,053	5,019,800 <sup>(2)</sup>	65.2%
Total Expenditures	111,855,521	113,737,000	113,931,107	117,280,000	3.1%
Fund Balance Increase/(Decrease)	346,302	-	76,127	-	
Total Ending Reserves	12,958,511	12,958,511	13,034,638	13,034,638	0.6%
General Fund Reserves as a Percent of Revenues	11.5%	11.4%	11.4%	11.1%	
Fund Balance Restrictions	(2,400,293)	(2,400,000)	(2,400,000)	(2,400,000)	
Unrestricted Ending Reserves	10,558,218	10,558,511	10,634,638	10,634,638	
Unrestricted Reserves as a Percent of Revenues	9.4%	9.3%	9.3%	9.1%	

<sup>(1)</sup> FY 2009 cost reductions from these measure are included in within departmental projections.

<sup>(2)</sup> The increase in debt service is attributable the dedication of \$1.4M to fund road and Sewer Fund Combined Sewer Overflow (CSO) debt service obligations in order to minimize further sewer rate increases.